

Help Shape the Future of Classification on Industries in Australia

Frequently Asked Questions (FAQs)

What is an Industry Classification?

An industry classification is one way of organising data from a business unit perspective. It provides a standard framework under which businesses carrying out similar production activities can be grouped together. Each group of businesses is referred to as an industry. There is an international version (i.e. International Standard Industrial Classification of All Economic Activities (ISIC)) and a regional version (i.e. Australia and New Zealand Standard Industrial Classification (ANZSIC)) of industrial classification.

What is ISIC?

ISIC provides the internationally accepted standard for categorizing business units within an economy, which allows for data comparison at the national and international levels. It is developed and maintained by the United Nations Statistical Division (UNSD) in collaboration with statistical agencies and international economic organisations, such as the OECD. The ISIC is a hierarchical classification with four levels, namely Section (broadest level), Division, Group and Class (the finest level).

What is ANZSIC?

ANZSIC 2006 is an industrial classification representing economic (production) activity occurring in Australia and New Zealand. ANZSIC is an ISIC comparable industrial classification using similar underlying concepts in terms of the definition of industry and the principle used in classifying a business into an industry class. ANZSIC 2006 is comparable with the ISIC Rev. 4 at the higher levels of that classification, with lower levels (group and class) being more specific to the regional needs. ANZSIC is a hierarchical classification with four levels, namely Division (broadest level), Subdivision, Group and Class (the finest level).

Why does the ANZSIC need to be updated?

The Australian and New Zealand Standard Industrial Classification is the official industrial classification used in Australia and New Zealand, providing the basis for analysing and disseminating economic data on an industry basis. In Australia, ANZSIC is also used for decision making and program delivery including business taxation (Australian Taxation Office), COVID-19 industry assistance (Commonwealth and State Governments), and Workers' Compensation. ANZSIC was first published in 1993 and revised in 2006. The ABS made minor changes in 2008 and 2013 to reflect a subset of new and emerging activities. Users from the public and private sector have expressed concerns that ANZSIC does not reflect changes within the Australian economy over the last fifteen years. Concerns in relation to the structure, and usability of the classification have been broadly expressed by external stakeholders. To resolve these concerns, a review of ANZSIC 2006 is necessary.

When is ISIC due to be reviewed?

ISIC Rev. 4 is currently under review. Changes to the classification structure down to the three digit (Group) level were endorsed by the United Nations Statistical Commission (UNSC) in March 2022. Discussions on changes to the classification at the four digit (Class) level are currently in progress. The revised ISIC is scheduled to be endorsed by the UNSC in March 2023.

Attached are the main changes to ISIC at the higher levels (i.e. 3 digit and above) that were endorsed in March 2022.



Main Changes to
ISIC at Higher Level

What has changed from ISIC Rev. 4 in the revised ISIC?

Attached are a list of changes to ISIC Rev. 4 by section resulting from the international review. Also attached is a copy of ISIC Rev. 4 for reference.

Important: These are not finalised changes as the review is still underway and more change could occur prior to the review being finalised. This list has been compiled based on information to date, as a result of ABS participating in ISIC review process.



Changes to ISIC rev
4



ISIC rev 4

What does the revised ISIC structure look like?

Attached is a draft classification structure of the revised ISIC based on the information to date:



Draft Structure of
revised ISIC

Structure of ISIC:

Outlined below is information to support understanding of the revised ISIC classification structure

Section (letter)	A	AGRICULTURE, FORESTRY AND FISHING
Division (2 digits) service activities	01	Crop and animal production, hunting and related
Group (3 digits)	01 1	Growing of non-perennial crops

Class (4 digits)
crops, and oil seeds

01 11 Growing of cereals, other than rice, leguminous

Numbering rules for ISIC:

- Since the number of sections exceeds 10, the use of capital letters for coding the sections was continued to avoid having to change the ISIC coding structure to a five-level structure.
- Whenever a given level of the classification is not divided into categories of the next more detailed level of classification, "0" is used in the code position for the next more detailed level. E.g., Group 051 Mining of hard coal equates to Class 0510 Mining of hard coal
- ISIC Codes ending in "9" are residual categories containing activities that do not fit into other classes in the group. Their titles will have "other" or "n.e.c." (not elsewhere classified) incorporated.
- The numbering system of the classification is not sequential due to the increased number of 2-digit categories, the divisions are coded consecutively. However, some "gaps" have been provided to allow countries to introduce division-level categories without a complete change of the ISIC coding. These gaps have been introduced in sections where the need for additional divisions at the national level is most likely to arise. For this purpose, the following division code numbers have been left unused: 04, 34, 40, 44, 45, 48, 54, 57, 67, 76, 83 and 89.

How does the revised ISIC compare to ANZSIC?

Attached below is the comparison of ANZSIC 2006 to the revised ISIC, by ANZSIC Division.

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Comparison ANZSIC
to revised ISIC

How will the shape of the industry classification be determined?

1. Research and Analysis
2. Consultation
3. Decision

To identify the issues with ANZSIC 2006, the ABS has undertaken a range of research and analysis, including:

- Analysis of feedback received from individuals and organisations on ANZSIC use and issues through stakeholder consultation
- Analysis of feedback received to date from ABS client queries, outlining limitations they have experienced with ANZSIC

- Comparison of ANZSIC with the International Standard Industrial Classification of All Economic Activities (ISIC) and other international classifications like the Nomenclature of Economic Activities (NACE) and the North American Industrial Classification System (NAICS) to identify new and emerging industries.

ABS is running a consultation in September 2022 to collect information on how industrial classifications are currently used by businesses or organisations, issues related to ANZSIC, barriers to implementing an updated industry classification. The consultation also seeks to raise stakeholder awareness of the key changes proposed to ISIC, seeking feedback on any key concerns with the same.

Results from the consultation will be analysed, especially for reoccurring trends.

From the results of the initial analysis of the consultation, further consultation will be undertaken after ISIC is endorsed by the UNSC. A decision will then be made collaboratively as to the shape of the industry classification. Noting the format of the future consultation and decision-making process is still under consideration.

For more information on the scope of the review, please refer to the document **Help Shape the Future of Classification on Industries in Australia - Scope** available on the Consultation Hub in the Related section of the Overview page.

What is the impact of an updated classification on official statistics?

When there are changes to a classification, data produced using that classification may not be directly comparable over time. The ABS provides concordance files and supporting documentation to make sure you can understand how changes to the classification will impact data produced from one time point to another.

How do I provide feedback?

You can provide feedback by making a submission via the [ABS Consultation Hub](#).

Any questions?

Please email standards@abs.gov.au with any questions on this consultation or for further information.

How will the information in my submission be used?

The information you provide in your submission will be used to inform the potential options. More information about how ABS manages privacy can be found here [Privacy at the ABS | Australian Bureau of Statistics](#)

What happens after the Consultation hub closes?

After the Consultation hub closes, all submissions will be reviewed. The ABS may reach out to submission authors for more information if they have agreed to be contacted. The ABS will also share the outcome of this public consultation once information has been collated.